

Dear State Colleagues:

In EPA's FY' 07 budget, the Office of Management and Budget (OMB) included language that requires EPA to "develop a standardized template that all states will use to develop and submit state grant agreements"; the goal being to develop consistent requirements for annual and long term state performance reporting. EPA and states, through the Partnership and Performance Workgroup, a subgroup of the ECOS Planning Committee, have worked together since the end of January to develop a response to this challenging requirement.

EPA's goal is to ensure that the Agency is responsive to the OMB directive, while affording states minimum disruption to preparation of grant workplans. EPA's approach is to develop a "template" that consists of a subset of existing measures and data that states already report, serves as an addendum to current grant workplans, and can be implemented in the FY2007 grant cycle. This limited set of measures are being identified for the 13 continuing categorical state grant programs, such as air 105, lead, underground storage tanks, and clean water 106 and 319. EPA will include the template and measures in the final National Program Guidance documents planned for release after April 21, 2006. This is an ambitious goal to be accomplished in a three month period.

No final decisions regarding the performance measures have been made. HOWEVER, we are using the upcoming ECOS meeting as a formal vetting process with the states and will discuss the proposed template and measures at the Planning Committee's session on Monday, March 20 from 2:00 – 3:30. We hope you or your staff can attend.

Thanks to the EPA headquarters and regional staff and states on the Partnership and Performance Workgroup and the State Grants Subgroup who have participated in numerous conference calls to help guide this effort: AZ, CO, KY, GA, MA, MT, MN, NH IA, IL, SC, TX, UT, VA, WA, WI, WV. We would have preferred not to conduct this exercise in such a short time span, but hope to deliver a valuable product for the states, EPA and OMB which will improve over time.

Between now and mid-April, EPA will continue to work closely with the Partnership and Performance Work group, ASWIPCA, ASTSWMO, ASDWA, STAPPA ALAPCO and individual states to fully discuss this effort. Comments will be considered as we develop the final National Program Guidance.

We have also attached anticipated questions and answers to help explain this. We look forward to seeing you in Charleston on March 20-22.

Sincerely,

Richard Oppen, Director, Montana Department of Environmental Quality
Dianne Nielsen, Director, Utah Department of Environmental Quality
Dona DeLeon, Deputy Associate Administrator for Intergovernmental Relations
Kathy O'Brien, Director, Office of Planning, Analysis, and Accountability
Howard Corcoran, Director, Office of Grants and Debarment